THE

GEORGE WASHINGTON UNIVERSITY

NAVY GRADUATE COMPTROLLERSHIP PROGRAM

PLANNING AND PROGRAMMING
THE
NAVY'S PUBLIC WORKS

BY

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For

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Figure

1. Department of the Navy,
Programming Cycle for Public Works Projects

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[1] Figure 1. is placed immediately succeeding the Foreword.

FOREWORD

The increasing complexity of the procedures for planning and programming facilities for the Naval Shore Establishment has made it necessary for us to re-examine the tools with which we, as Comptrollers, will implement those procedures.

In this paper will be presented highlights of the chronological steps in planning and programming of the Navy's Public Works, with emphasis on the importance of adequate Master Planning in the Development of naval shore activities. This importance is born of an insistence by Congress, the Secretary of Defense and the Secretary of the Navy that adequate Master Plans for each shore activity be developed. As will be shown, the responsibility for the origin of properly prepared and competently justified Public Works projects lies with the Commanding Officer of the naval activity concerned; but it will be demonstrated also that each echelon of review within the Department of the Navy has an inherent responsibility to assist the Commanding Officer to portray the project in its proper light. This is particularly important since projects are in competition with one another for public funds.

At the activity and at each level of review, including the Office of the Secretary of Defense, eventually will be found graduates of the George Washington University Navy Graduate Comptrollership Program. It is to these graduates that this paper is

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In this paper will be presented a [illegible] of the geolo-
logical [illegible] North, with [illegible] in the [illegible]

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addressed for they are now, or henceforth will be, engaged in the processes described herein.

The basis of this paper stemmed from the writer's experiences and observations while serving for eighteen months on the Shore Station Development Board in the Office of the Chief of Naval Operations.

It is to be recalled that military readiness and operating efficiency are virtually inseparable. Excessive operating, personnel, maintenance and construction expenses represent dollars spent which do not provide defense.

For the benefit of the reader in following the discussions in this paper an illustration of the programming cycle for Public Works projects follows immediately hereinafter.

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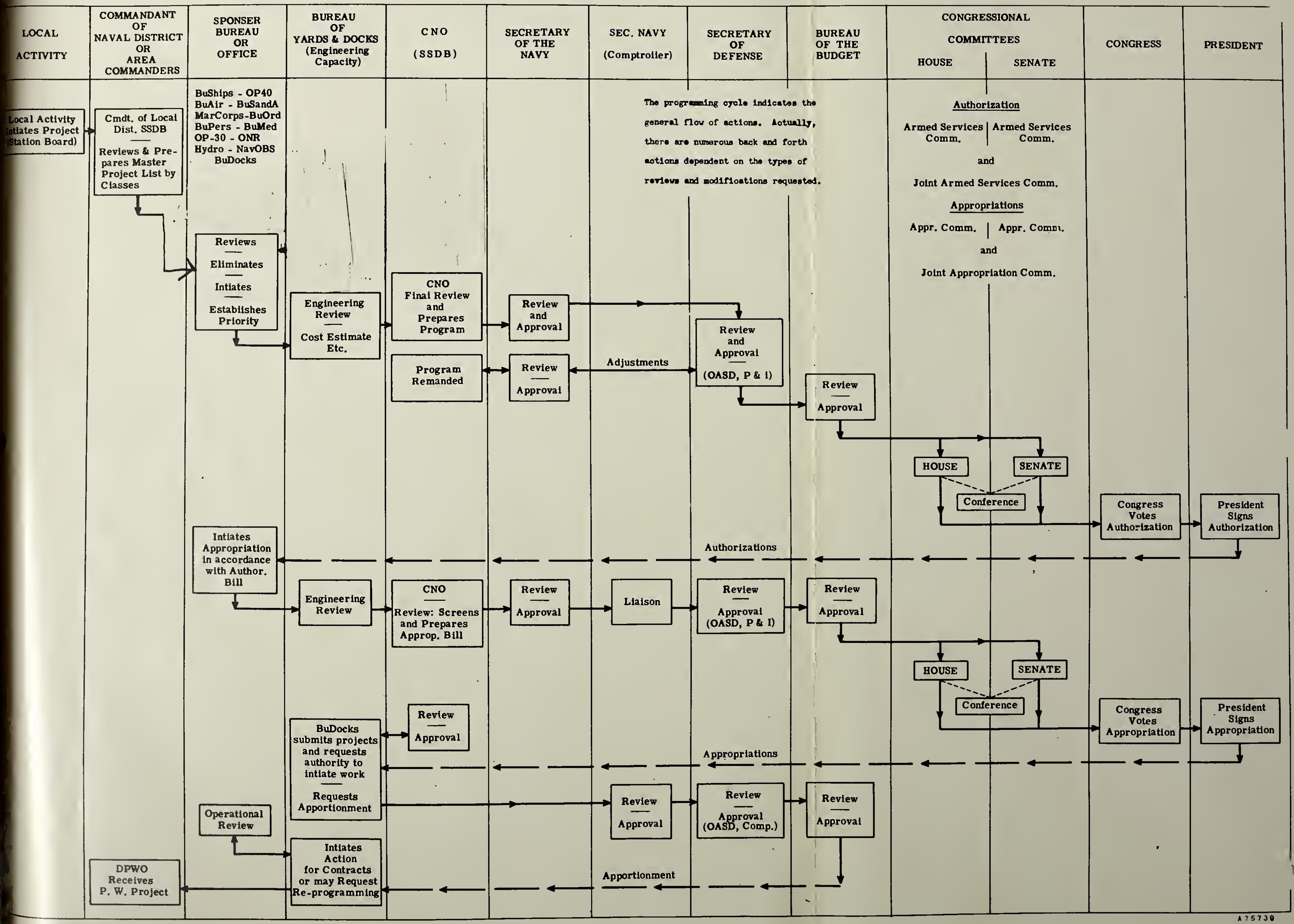
DEPARTMENT OF THE NAVY
PROGRAMMING CYCLE FOR PUBLIC WORK PROJECTS



The programming cycle indicates the general flow of actions. Actually, there are numerous back and forth actions dependent on the types of reviews and modifications requested.

Figure 1

CHAPTER I

INTRODUCTION

The Birth of Master Planning

Some five years ago, when the events in Korea caused a national decision to expand the armed forces of the United States, the Secretary of Defense, as a result of a National Security Council directive, established a committee to examine the planning systems of the three military services. The committee was chaired by an astute administrator, General Mc Narney, then of the U. S. Air Force, and now President, Consolidated Aircraft Corporation. The three principal members were the three Under Secretaries of the Services.

As a result of a comprehensive study of the planning systems of the Army, Navy and Air Force, it was determined that the Navy's planning for shore station facilities was deficient and it was ascertained particularly that there was no tie-in with the general planning of the Navy Department. In this regard, a subject of criticism was the fact that the Navy used a somewhat primitive type of "data book" for each shore station with no prescribed relationship to mobilization planning.

As a result of these findings, the Secretary of the Navy directed that appropriate remedial measures be undertaken.[1] Confronted with this directive, but with no master planning experience, the Navy turned to the Army, a department with a tradition

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[1] SECNAV INSTRUCTION 11010.1, dated 8 March, 1951, Planning Navy Public Works

CHAPTER I

INTRODUCTION

The Birth of Master Planning

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As a result of a [illegible]

As a result of [illegible]

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[1] [illegible]

of well-rounded planning experience and to the Air Force, a recent off-shoot from the older department. It was observed that, although there was substantive information to be acquired from the Army, the facilities planning system of the Air Force was not to be emulated. The latter service had erred in hiring architectural and engineering firms to plan and develop their bases. The Navy concluded conversely and soudly so, that it would be more profitable from an operational standpoint to plan and develop its own stations. Our self-reliance has been substantiated. The Air Force has been forced to rectify construction programs where military operational requirements were not properly considered by civilian constructors.

As a result of this fruitful comparison of techniques in master planning of the other military departments, together with some sound ideas of its own, derived largely from an extensive field survey, the Navy drew up its first basic Shore Establishment Development Plan.[2]

Scope of the Program

The Shore Establishment Development Plan encompassed a facilities construction and major rehabilitation program of 3.4 billion dollars of solely urgent items. Too long had the Navy lived on the fat of hastily and poorly constructed World War II facilities. It must be remembered that much of the Navy's war-

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[2] OPNAV INSTRUCTION 11010.1, dated 21 September, 1951, Planning Navy Public Works

of well-trained civilian engineers and to the Air Force, a few [illegible] different than the other services. [illegible] although there was [illegible] from the Army, the [illegible] of the [illegible] to be [illegible]. The [illegible] The [illegible] more [illegible] the [illegible]. The Air Force has been forced to [illegible] military [illegible] civilian contractors.

As a result of this [illegible] in [illegible] of the [illegible], the [illegible].[5]

Scope of the Problem

The Navy's [illegible] a [illegible]. [illegible]

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[5] Source: [illegible] Civil Engineer [illegible]

time base construction had been in off-shore areas no longer frequented by our fleet units. Once desperately needed facilities in the South Pacific now lay buried in jungle overgrowth. Now, different areas are patrolled by our ships. Furthermore, our implements of war are different. This is the age of jets, nuclear weapons, guided missile cruisers and atomic submarines. Required base facilities have had to be planned and programmed years in advance of the introduction of these weapons. In fact, research and development facilities have had to be brought into existence, time-phased with the original development of our modern arsenal of weapons. The problem of constructing test ranges and research facilities is a continuing one. It goes forward apace with the need for proper facilities for the proven weapons now entering fleet use.

The $3.4 billion program, previously mentioned, was planned for implementation over a four year period and in the early phases of the program Congress was in essential agreement. However, when the Korean truce appeared, Congressional ardor diminished as shown below:

Fiscal Year	Proposed Phasing	Congressional Appropriations
1951	$400 million	$400 million
1952	1100 million	800 million
1953	1100 million	363 million
1954	800 million	0
	3400 million	1563 million

As can be seen, the program of truly urgent items has been less than half funded. Further, it is to be noted that several billion dollars of projects in the "Essential", "Important" and "Long-range" categories have not even been requested, for as long as funds are insufficient only "urgent" items are considered by the Congress.

During these four fiscal years, additional urgent projects, unforeseen in 1950, have arisen so that now the urgent projects requirements have increased to an unfunded $2 billion.

Relative Importance In National Defense

To the layman who thinks in terms of ships being always at sea, the concept of vast naval base establishments is unbeleivable. Upon reflection, however, one realizes that ships cannot always be on the oceans, nor can aircraft be based for relatively long periods on aircraft carriers. For the ships, naval shipyards are required, rivaling or exceeding in size and complexity such huge enterprises as Newport News Shipbuilding and Drydock Corporation. For the aircraft, master-jet bases are needed that dwarf by comparison the largest commercial airports. For the personnel, training facilities and barracks are needed to care for the tens of thousands of officers and men who are schooling in localities throughout the United States.

The Air Force requires air base complexes and the Army, numerous camps and posts. The Navy, with its aviation and the Marine Corps, has a like need for both air bases and military facilities.

With a maritime geographical position and an economy sustained by over-seas sources of raw materials the maintenance of an effective Navy and its aviation will be a multi-billion dollar annual budget item as long as we are a nation. The Navy's supporting shore establishment, as a consequence, will require hundreds of millions annually for construction and improvement programs in order to keep apace with fleet requirements.

CHAPTER II

DEVELOPING THE PROGRAM

Command Responsibility

The originators of the majority of the Navy public works projects are the Commanding Officers of the individual shore activities of the Naval Establishment. Certain projects, clearly beyond the cognizance of the commanders, originate at the Navy Department level. An example could be to establish a complete facility in an area not previously used for naval purposes.

The project originating responsibility of the Commanding Officer has been stated by the Secretary of the Navy:

> Each Commanding Officer is responsible for the prudent management and efficient operation of his activity. It is his duty to institute procedures which will insure his project sponsor. The Navy Department bureau to whom he reports for management control and who will sponsor his projects before the reviewing, authorizing and appropriating bodies in the government that his activity is making the maximum expenditure of operating, personnel and maintenance funds.
>
> He is expected to supervise personally the preparation of his annual Public Works Program. He is expected to keep his Program under continuous review to assure himself that the facilities included in the Program will permit him to meet his mission, workload or base loading a technical term to denote a specific logistic requirement, for example: at a naval air station, to support three squadrons of Attach Aircraft .
>
> He is expected to submit projects which will (a) contribute to the safety of life or property, (b) promote human efficiency or habitability, and (c) protect the Government's investment in the current or mobilization portential of his activity.
>
> He is expected to plan for the systematic replacement of high-cost, obsolete facilities. He is expected to relate his operating, personnel and maintenance expenditures to the replacement cost of his facilities and to recommend the funding of any project, the cost of which, by reason of the economies to be realized, can be

amortized in less than 10 years.[3]

Project Development

The development of each Public Works project actually involves a number of successive steps:

First, the project originator has a Requirement, phrased in terms of need to be met, a purpose to be served, a problem to be solved, or an end to be achieved. It is to be noted that the Requirement does not describe the facility but rather states why the facility is needed, what it is to accomplish, how and when. If the project is intended to correct a deficiency in the capacity of the activity to meet a mission, workload, or base loading, the Requirement will state the deficit by showing what facilities are needed and what facilities are available.

Second, the project originator analyzes the ways in which the Requirement can be met and, by a process of elimination, determines that it can best be met by a Public Works project. The project originator then lays out the essential elements of the project, viz. the Project Scope, which is a statement of the essential elements of the project, i.e., its over-all size and dimensions. As an additional matter, it should be stated whether the project requires the construction of a new structure or a replacement. In the latter instance, the disposition of existing structures should

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[3] SECNAV INSTRUCTION 11010.2, dated 22 October, 1954, Annual Public Works Program; preparation, justification and submission

be defined.

Third, the project should be carefully analyzed in terms of its scope. The Project Analysis serves the purposes of demonstrating how the Requirement is to be met and the fact that the project itself is the most economical method of meeting the Requirement. The Analysis should contain a clear, concise statement showing why the project must be funded in a particular fiscal year and why the funding cannot be postponed. It should be demonstrated where the Navy would suffer if the project were not approved, since reviewing authorities frequently have no other way of knowing what the consequences are likely to be if the project is disapproved.

A Philosophy of Project Justification

Field trips and Washington reviews of recent Public Works programs have revealed that frequently there is a far greater need for a particular project than is apparent from the justification submitted to the reviewing authorities. For some reason, Commanding Officers assume that reviewing authorities are familiar with their problems. They overlook the fact that no one man could in a lifetime be expected to acquire a detailed knowledge of the operations, needs, and problems of an organization as vast and complex as the Navy and Marine Corps.

Commanding Officers should recognize that the submission of a project is a request for money. It is their responsibility to prove to reviewing authorities that they need the money they are requesting. Further, it should be recalled that implicit in the

term "reviewing authorities" is the review of something. The Commanding Officer must insure that the justification states facts, not conclusions; that it is neither so brief as to be uninformative or so lengthy as to be boring; that it is written in such plain, simple English that any intelligent adult can understand why the project is needed.

Justifications particularly should avoid generalizations such as "inadequate" "unsatisfactory", "hazardous", "excessive maintenance costs", "exhorbitant operating costs", "great savings", and so forth. They are lazy words! They seem to say, "Take my word for it. I need this project" without stating the facts.

Reviewing authorities look for facts. They want to know how inadequate or how unsatisfactory. They want to know how much when they read "excessive maintenance costs" or "exhorbitant operating costs". In short, they want facts and from the facts they will draw their own conclusions. A poor justification means only one of two things: The project isn't needed or the need, although present, is not discernable.

The Secretary of the Navy has specified:

> To approve a poorly justified project within the Navy Department is merely to invite disapproval by subsequent reviewing authorities. For that reason, the Navy Department has determined as a matter of policy that no project will be submitted to Defense, Budget, or Congress unless the need for the project is conclusively demonstrated in the project justification.[4]

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[4] Ibid

Sponsor Responsibility

Although it has been previously stated that the majority of the Public Works projects emanate from the individual activities and thereby are a command responsibility, certain of the projects in the nature of large-scale modernizations or the construction of entirely new bases arise from the Sponsors, chiefly the naval technical bureaus. Also, inherent in the title "Sponsor" is the responsibility on the part of the parent management bureau to represent a field activity at the Washington hearings before the reviewing authorities. In this capacity, the bureau sponsors the program of the Commanding Officer for whom he is responsible. The responsibilities of the project sponsors has been stated by the Secretary of the Navy:

> Each project sponsor is responsible for the prudent management and efficient operation of the activities placed under his management control. It is his duty to institute procedures which will permit him to assure the Chief of Naval Operations and the Secretary of the Navy that his field activities are making the maximum contribution to military readiness with the minimum expenditure of operating, personnel, and maintenance funds. To this end, he is expected to plan for the systematic replacement of high-cost, obsolete facilities. He is expected to relate his operating, personnel, and maintenance expenditures to the replacement cost of his facilities and to recommend the funding of any project the cost of which, by reason of the economies to be realized, can be amortized in less than ten years.
>
> Each project sponsor is expected to provide the activities under his management control with timely and detailed guidance concerning the programs being undertaken by the project sponsor which require public works support. Such guidance should be provided to field activities not only annually but whenever it is known that changing conditions, program, and problems will require public works support at some foreseeable future date.
>
> Not later than 15 November, 1954, and not later than 1 June of every year thereafter, each project sponsor will advise his

field activities of his problems and programs which may require facility support in the forthcoming four fiscal years so that his field activities can properly plan their annual Public Works Programs.[5]

In exercising prudent management, the Sponsors have had to anticipate the long lead time involved in Public Works planning and programming. Statutory, budgetary, design, bid, and construction lead time for Public Works projects is such that three, four, or more years may elapse from the time the need for a facility is apparent until the time when construction is completed and the facility is ready for use. The long and relatively inflexible facility lead time has imposed a special responsibility upon those engaged in personnel or material planning. It is incumbent upon planners and programmers to determine whether the personnel and the funds for procurement, which they are requesting in the next annual budget, will or will not generate a requirement for additional Public Works support. Where a requirement for additional Public Works support is evident the project sponsor must so inform the Secretary.

The correction of current deficiencies, together with balanced program planning, should minimize lack of proportion between personnel and materiel on the one hand and supporting facilities on the other. However, from time to time, emergency military requirements may dictate the assignment of a mission, workload, or base loading to an activity even though adequate facilities are

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[5] SECNAV INSTRUCTION 11010.3, dated 22 October 1954, Annual Public Works Programs; planning coordination and development

not available to meet the requirement. When this happens, appropriate supporting facilities must be urgently programmed by the sponsor to obviate the need to withdraw an indispensable mission, workload or base load.

CHAPTER III

THE MASTER PLAN

Relation of Master Planning to the Navy Planning System

Thus far in this paper, the basic aspects of command and sponsor responsibilities in the preparation of the annual Public Works Program have been commented upon but the focal point of Public Works planning, the Master Shore Station Development Plan (The Master Plan), has not been treated except briefly. The Master Plan is a final stage subsidiary plan, facilitywise, prepared at the local level. It is to be recalled that Captain E.E. Grimm, USN, Member of the Naval Operations General Planning Group, defines a subsidiary plan as a "contributary plan of a logistical nature concerned with logistic planning for peacetime and mobilization".[6]

The Master Plan, as a subsidiary plan, does not generate new requirements. It is merely a representation of the facilities which are specifically required by other planning documents or are required to carry out missions or tasks contained in such documents. It depicts not only the facilities needed to meet the peacetime requirements but also those necessary to meet mobilization requirements. The peacetime requirements are derived primarily from the peacetime mission, which is included in the current Basic Naval Establishment Plan, and more detailed requirements from the Navy Basic Logistic Plan, Part I - Peacetime, as describ-

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[6] The Navy Planning System by Capt. E.E. Grimm, USN, presentation to the Navy Graduate Comptrollership Course, the George Washington University, September 30, 1955

CHAPTER III

THE MASTER PLAN

HISTORY OF [illegible] PLANNING TO THE [illegible]

Thus far in this paper, the legal aspects of zoning and [illegible] responsibilities in the preparation of the zoning [illegible] have been considered [illegible] (The Master Plan), [illegible] at the local level. [illegible] Captain [illegible], [illegible] member of the [illegible] a [illegible].¹

The [illegible] requirements. It is [illegible].

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¹The [illegible] Planning [illegible] [illegible].

ed by Captain Grimm in his presentation to the Navy Comptroller Class.[7]

The derivation of the mobilization requirements, upon which the Master Plan will prescribe its needed facilities, is a much more complex operation. The long range mobilization requirements are contained in the Navy Basic Logistic Plans for the cognizant technical bureaus and offices. The immediate mobilization requirements are derived from the current Navy Code Logistic Plan, which is a capabilities plan covering the transition period from peacetime operations through the first stages of mobilization. This capabilities plan is then expanded and interpreted by the various area, fleet and Sea Frontier Commanders, District Commandants and Technical Bureaus and Offices, who in turn issue 3rd stage Navy Code Logistic Plans.

The information contained in this array of navy plans is the raw material which provides the basic structure for the Master Plan. The completing of that structure, which will make it an adequate and effective solution of the Public Works construction requirements of a particular activity, must be done at that activity.

Definition and Purpose

As has been previously mentioned, a Master Plan is a subsidiary plan. However, it is probably the most comprehensive of subsidiary plans, for it presents in graphic tabular and narrative

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[7] Ibid

form all the existing and planned facilities required for the ultimate development of a shore activity of the Naval Establishment. It is a depiction of current long range planning based upon applicable peacetime and wartime logistic plans prescribed in the Navy Planning System. It is not a construction plan, but it does provide a background for the development of a continuing construction program.

The primary purpose of the Master Shore Station Development Program is to provide a means for planning the maintenance and development of shore activities of the Naval Establishment to support the peacetime and wartime requirements of the operating forces in accordance with approved logistic plans. As a secondary objective, it provides necessary justification for Special Facilities, Minor Construction and Public Works projects and insures that such projects are fully integrated parts of well developed long range plan for meeting the facilities requirements. It is the one place where all the planned facilities requirements, generated by the various Navy Logistic Plans and other planning directives, which concern a particular activity can be checked for feasibility. This is an important consideration, because too many of our current planning documents are unworkable because they have not been coordinated with other planning documents nor have their combined requirements at the activity level been checked for feasibility or consistency. It also provides a means for integrating the planned peacetime and mobilization development of an activity, a factor which is all too often neglected in our planning.

The value of a well conceived Master Plan to all levels of the Naval Establishment, the Department of Defense, and the Congress is

from all the existing and planned facilities [illegible] the [illegible]-
[illegible] development, [illegible] [illegible] [illegible] of any small jurisdiction,
it is a temptation to suggest that these plans [illegible] [illegible] [illegible]
[illegible] [illegible] and [illegible] [illegible] [illegible] [illegible] [illegible] they
[illegible] [illegible]. It is not a [illegible] plan, but it does
[illegible] a [illegible] for the development of a [illegible] [illegible]
program.

The primary purpose of the [illegible] Capital Improvement
Program is to provide a basis for [illegible] the [illegible] and
development of major facilities of the [illegible] [illegible] to [illegible]-
[illegible] the [illegible] and [illegible] requirements of the [illegible] [illegible]
in accordance with [illegible] [illegible] [illegible]. As a [illegible] [illegible]
[illegible], it provides necessary justification for capital facilities,
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The value of a well-[illegible] [illegible] [illegible] [illegible] [illegible] [illegible] incalculable. It allows the activity to do firm planning in accordance with its long range facilities requirements and to properly assess its potential value for future development. Fleet, Area, District and intermediate commands can, for the first time, properly evaluate the feasibility, facilitywise, of their own plans for a particular activity and adequately review Public Works programs for individual activities from a command viewpoint. Technical bureaus and offices are enabled to properly assess the functional potentialities of the various activities under their cognizance as regards facilities and to check the feasibility of their own planning.

With the development of adequate Master Plans, the Chief of Naval Operations will be in a position to develop Navy Logistic Plans which will be feasible from the facilities standpoint, a procedure which has not always been practicable. The preparation and support of well coordinated and justified annual Public Works programs to meet our requirements will be greatly simplified and we should be in a much better position to properly justify our needs to the Secretary of the Navy, the Secretary of Defense, the Bureau of the Budget and the Congress. As a result of the elimination of the many inconsistencies which have hurt our programs in the past, we should end up with authorization and funds for programs which more nearly meet our requirements.

Development of a Master Plan

Just how do we go about developing a Master Plan? Let us as-

sume that we are at the activity level and are confronted with the problem of preparing our first Master Plan.

First, we should realize that the development of an adequate Master Plan for an activity requires that the planning be considered as a "package". This "package" is made up of three components:

Existing Facilities,
Planned Peacetime Facilities, and
Planned Mobilization Facilities.

In most instances the ultimate mobilization development represents the maximum needs at the activity, and all planning should be developed with that end in mind. It is therefore essential that both the peacetime and mobilization portions of the Master Plan be developed simultaneously. The peacetime portion of the plan will represent only that section of the plan which can be justified by peacetime requirements. The mobilization plan, which is usually the ultimate plan, will include facilities currently in existence, those facilities for which both peacetime and mobilization needs exist, and those facilities which are required only on mobilization.

The responsibility for the preparation of an adequate Master Plan is a command responsibility and accordingly rests solely upon the Commanding Officer. He must insure that the plan is prepared by experienced and competent personnel and that all the factors which affect the plan are given proper consideration in its development. In pursuing the development of the plan, it is necessary to assemble all the planning documents and directives which

affect the peacetime and mobilization facilities requirements. The requirements contained in all documents must be checked against one another to eliminate inconsistencies. When discrepancies are found, they should be brought to the attention of the issuing officers of the plans and directives for resolution whenever the discrepancies are of a nature which would affect the facilities requirement.

Once the facilities requirements of each of the activities included on the Master Plan are determined, preparation of the Master Plan itself may proceed. Local conditions, operating requirements, engineering and other technical considerations must all be weighed in arriving at a suitable solution to the problem. Where facilities requirements for the various activities conflict and cannot be resolved locally, they should be promptly referred to the lowest common commander for appropriate decision.

Upon completion of preparation of Master Plan and review by District authorities, the Master Plan arrives in the Sponsor bureau or office, where it is checked to insure compliance with all operational planning requirements and criteria. The responsibility at this level rests directly upon the Chief of the bureau or office concerned. Approval at this stage is a certification of the functional and operational adequacy of the proposed plan of development to fully meet the peacetime and mobilization requirements of the activity. The Chief of the Bureau of Yards and Docks next reviews the Master Plan for engineering and technical aspects.

The final review of all Master Plans is made by the Chief of

Naval Operations, who has the overall responsibility for the development of an adequate Master Shore Station Development Program for all shore activities of the Naval Establishment. This review is a broad general review of operational and technical features to insure adequacy of the entire plan and its inter-relationship with plans for other activities.

Regional Master Planning

The various aspects of Master Planning for individual activities has been discussed. In areas occupied by several naval activities, there is a need for close coordination in the Master Plan developments for individual activities to eliminate possibility of conflict, particularly where space available for expansion is limited.

A Regional Master Plan is an allocation plan for an area occupied by a number of activities. It is a coordinated representation of the existing and planned land, sea lane and air lane requirements for peacetime and the mobilization of the activities concerned. It is essential that the development of an adequate regional plan be considered as a "package". This "package" is composed of three parts: existing gacilities, planned peacetime requirements and planned mobilization requirements. In most instances, the ultimate mobilization development represents the maximum need. All planning should be developed with that end in mind. It is therefore necessary that both the peacetime and mobilization portions of the regional plan be developed simultaneously.

The following basic principles, as summarized by a member of the Navy Shore Station Development Board, should govern in the detailed development of the Regional Master Plan:

a. The activities included in the plan should have interrelated functions.

Each activity should be so located as to provide room for its ultimate development and allow it to operate as a smoothly functioning part of the regional complex, with a minimum of duplication and overlapping of functions with those of other activities at the base complex.

b. The plan must be flexible.

It must meet current peacetime and mobilization requirements, but it should also provide a sufficient margin of safety and flexibility so that most of the inevitable technological and other types of changes can be absorbed without major changes in the Regional Master Plan.

c. The plan is to provide a framework within which detailed plans for individual activities of the naval base complex may be developed.

The Regional Plan is general in nature and is only intended to insure that land and facilities for which a common need exists are properly allocated with respect to the long-range requirements of the entire complex. Detailed development of an individual activity remains a responsibility of the Commanding Officer of that activity for inclusion in the activity's Master Plan.

d. The plan must be realistic and recognize existing conditions.

The large investments in existing facilities and their physical condition must be given due consideration in any plans involving extensive rearrangement of areas allocated to various activities.[8]

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[8] Captain C.B. Mc Farland, USN, Staff Member, Shore Station Development Board, at the annual CNO conference with Public Works Officers, March, 1955.

CHAPTER IV

THE REVIEW PROCESS

General Considerations

In considering the Washington review process it is sometimes difficult for the field originators of Public Works projects to realize the complexity of the process of obtaining final approval and funds for a project (refer to Illustration 1 for Program Cycle for Public Works Projects). One has only to read the newspapers and perceive that a billion dollar procurement program for aircraft goes through the Congress with apparent smoothness. Even when expensive so-called "special facilities" are required, that is the building of plants for private contractors, there is very little difficulty. However, when a Public Works project appears before a Congressman he becomes a typical inquisitive American. Every American thinks he is a "builder". He can't build a nuclear reactor; he can't build a battleship; and he can't build a gun; but he can build a building, and he can always do it better than the Navy planner.

Also, there is considerable public interest in buildings that are going into peoples' districts. That is where considerable Congressional interest is aroused. They fight for the projects to be located in their districts.

Further, there have been instances of costly mistakes in Public Works construction projects. The North African Airfield projects of recent notoriety are unfavorably recalled. In mitigation it

must be said that hasty construction during emergency conditions is apt to be unduly costly. As a result of considerable newspaper publicity, the Congress has demanded a very careful scrutiny of all Public Works programs. As an implementing measure the Second Session of the 82nd Congress set up in the office of the Secretary of Defense an Assistant Secretaryship for Properties and Installations. This office has cognizance of all construction matters arrising from the three military services.

As a consequence of congressional insistence, the Public Works projects flow through a series of very minute reviews where every "t" has to be crossed properly and every nickel has to be accounted for.

Pre - Congressional Review

In preparation for the searching Congressional inquiry, the Navy position in the advocacy of public works must be tenable. Accordingly let us examine the steps taken on the entire executive side. As we have seen, the Office of the Secretary of Defense now has a sponsor responsibility and for that matter, since the Navy's Public Works Program is merely a component of the President's Program, the relevant portions of the whole Executive Branch are involved in the procedures about to be described.

In the interest of simplicity, a field originated project will be considered. The project, if in accord with the Master Plan for the activity, is submitted for review to the Commandant of the

appropriate Naval District (Command Shore Station Board). From the District it goes to the sponsor bureau or office with copy to the Chief of Naval Operations (to keep him preliminarily apprised of the flow and impending magnitude of the entire public works program).

In the sponsor's hands, the project receives a most searching examination. In fact, in light of the sponsor's responsibility, the project may be entirely rewritten if it is felt that its present content or mode of expression is not sufficiently "Saleable" for the reviews yet to come. Frequently, this process requires amplifying or more precise justification from the field. Thus, field officers may be summoned to Washington or quick inspection trips may be made to the requesting activity. Furthermore, the sponsor, if one of the technical bureaus, will have many projects to handle - all of them "urgent". This leads to the necessity of arranging the projects in a priority list, although all may be legitimately marked "urgent". The sponsor knows that he never has, and never will get enough money for all the projects on his "urgent" list. One may call this review an enforced self-policing and it may provide a partial answer to the critics of present budget procedures, who contend that there is deliberate padding of appropriation requests in anticipation of Congressional cuts.

After the project leaves the sponsor's office it goes over to the Bureau of Yards and Docks for preliminary engineering and decision as to which projects require early advance planning. Thence the project is transmitted to the Shore Station Development Board

(SSDB) (refer to Appendix for Functions of the Shore Station Development Board). This Board, which is constituted by senior officer representation from the planning and programming divisions within the office of the Chief of Naval Operations, acts more or less as a devil's advocate. They seize upon the weak spots of a project and then it is incumbent upon the sponsors, by the employment of good reasoning, to prove the true merits of the project and its urgency. Upon completion of review by the SSDB the project then moves on to be considered personally by the Chief of Naval Operations and his Deputies. These old timers have a thorough knowledge of the long-standing needs of the naval plant and are quick to detect spurious requests.

Upon completion of the "military" review the project is transmitted to the Office of the Secretary of the Navy, where a review by a group of retired businessmen is conducted. These gentlemen, with severed industry connections, have no "conflicts of interest" but each is a specialist in a particular field of engineering, construction, architecture or finance. Their mission is to make certain that the Navy is getting estimates comparable to construction costs in the private sector of the economy. They also make recommendations on projects which they think are uneconomical.

From the Secretary's office the project goes to the Assistant Secretary of Defense (Properties and Installations) where a meticulous inquiry is conducted. The Navy has established excellent working relations with the Office of Properties and Installations.

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This relationship came about as that office gained experience and the Navy learned that it wasn't always right.

During the review in the Office of the Secretary of Defense the first budget ceiling figures are brought into play, almost one year prior to the presentation of the program to the Congressional Committees. The Secretary of Defense is close to the President and the Director of the Budget and operates under the criteria laid down by the President. Naturally, the criteria changes from year to year depending upon the economy of the country and international situation. For instance, the rather small FY 1954 program was due to the decrease in international tensions and the program in FY 1955 was even smaller.

Concurrently with the review by the Assistant Secretary of Defense, there is a review at the working level with the Comptroller's office of the Secretary of Defense and with the Bureau of the Budget. Although no further attention will be devoted to this particular step in the review process, the writer feels that it is a noteworthy time-saving device to have the representatives of three important review levels conducting their operations jointly. Possibly three to four months of valuable time is saved in this telescoped procedure.

The last step in the chain of events is the transmission of the project to the Bureau of the Budget for final approval and submission to the Congress.

Congressional Review

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Captain Lamb, the Director of the Staff, Shore Station Development Board, states that one of the startling and enlightening things which became evident to him in his tour of duty in Washington, when he presented several Shore Station Development Programs to the Congress, was finding that the Congressional Committees are made up of brilliant men who possess great knowledge of the Navy's requirements.[9] As Captain Lamb states "they are not up there to cut our throats; they are up there to help us every way that they possibly can, but we must prove to them that A plus B equals C". Captain Lamb has found that their source of astounding knowledge is the fact that they travel a good deal and pick up and retain a fund of knowledge from their visits to the Shore Stations. In addition, their staff members specialize on particular phases and particular problems that come before the Committees. As a result of their preparation they are in a position to press some searching questions upon the Navy. Upon completion of the requisite Congressional hearings and conferences, the adopted bills are passed and sent to the President for signature.

The Apportionment Process

The President's signature does not terminate the project justifi-

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[9] Captain R.S. Lamb, USN, before the annual CNO conference with Public Works Officers, March, 1955

cation process. In order to actually get a segment of the appropriated funds a request for apportionment has to be submitted to and approved by the Bureau of the Budget. The Bureau of Yards and Docks originates the request for apportionment, where it goes, via the SSDB and the Navy Comptroller, to the Secretary of Defense. In the Secretary's office the project must be re-reviewed before that office will certify the apportionment request which means the re-appearance of the sponsors to rejustify the projects. In the view of the writer, the review process begins to get a bit cumbersome when repetition begins to set in.

Upon completion of the apportionment review by the Secretary of Defense, the project goes over to the Bureau of the Budget where again the sponsors must appear to justify the project. As may be seen, the justification process is a very complicated one and unless the Public Works Program has been thoroughly prepared it faces rough sailing. Finally, we have come to the end of our long quest for funds. We have obtained our funds, and the construction of our project has begun, but in the course of events we have learned a few lessons.

CHAPTER V

CONCLUSIONS

In this paper it has been brough forth by emphasis that the single most important planning effort in regards to the Public Works program is the Master Plan. In closing, a short summary of the relationship of the program and the plan is presented.

The Master Plan is designed to show our entire peacetime and mobilization requirement of Public Works. Let us consider the Master Plan as a pie. Our annual Public Works program is the slice of that pie which we want to eat today. It doesn't constitute the whole pie by any means, it is just a small portion of it, but an integral part. At one time the Navy in sponsoring its projects before the Congress was permitted to assert that the projects were "in consonance with" the Master Plans but now it must be proved that the projects are an <u>actual part</u> of those plans.

It is exceptionally important that there be close inter-relationship between the development of the annual Public Works program and the Master Plan. In the past, in most instances, Public Works programs have been developed with little regard for the current Master Plan and such disregard must be corrected at an early date in order to insure that the Navy can present well-justified programs to the Congress.

APPENDIX

FUNCTIONS OF THE SHORE STATION DEVELOPMENT BOARD

The CNO's Shore Station Development Board is a permanent Board established within the Office of the Chief of Naval Operations. Like the Ship Characteristics Board, it is advisory in nature and has no administrative duties other than associated with the Board. The DCNO (Logistics) is charged with the supervision of this Board.

The Board is composed of nine members from the Office of the Chief of Naval Operations and one Marine Corps officer from Marine Corps Headquarters. With one exception, the officers are line officers and come chiefly from the planning sections of Op-01, Op-03, Op-04, Op-05 and Op-06. The Secretary of the Board and the C.E.C. officer attached to the Staff also sit as members. There are Associate Members representing other offices and Bureaus of the Navy Department and who present matters within their fields of activities, but the Associate Members have no vote. A permanent staff is provided which does the necessary staff work and analysis for the Board. The Board meets at the call of the Senior Member.

The objective of the Board is to review and recommend to the Chief of Naval Operations plans for maintaining shore stations in numbers, locations, facilities and equipment adequate to support the operating forces in a constant state of readiness for war and to serve the operating forces in the event of war.

In carrying out this objective certain tasks are assigned. The first - to examine and make recommendations on the Master

Shore Station Development Plans for each shore station of the Navy. Each station prepares its Master Plan, showing existing installations, proposed installations and those additional ones necessary upon mobilization. In addition, much local information and data are provided, and these plans, when approved, become the basis for the development of the station. This is a continuing task.

The second task is to prepare the annual Public Works Program for the approval of the Chief of Naval Operations and the Secretary of the Navy for further transmittal to the Secretary of Defense for inclusion in the Department of Defense annual Public Works Program.

A third task is to examine such facilities projects, both military and industrial, that are not included in the annual Public Works Program, and recommend action to the Chief of Naval Operations for further transmittal to the Secretary of the Navy and the Secretary of Defense. In this category all projects costing more than $25,000 to be paid for by other than maintenance and facilities funds (Navy) must be examined.

The fourth task is to examine and make recommendations on the reprogramming of projects, where funds appropriated for one project are desired for use on another of the same nature at another location.

The fifth is to recommend the rescission of such authorized projects which may no longer be required and may be cancelled.

This Board provides for the continuing planning for the Shore Establishment with the constant objective of supporting the operating forces in all aspects.

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The second task is [illegible]

[illegible]

The fourth task is [illegible]

The fifth is [illegible]

This [illegible]

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